

(10) (13)
Nos. 87-1589 & 87-1888

Supreme Court, D.C.

FILED

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JOSEPH R. SPANGLER, JR.
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

THE PITTSBURGH & LAKE ERIE RAILROAD COMPANY,
Petitioner,

v.

RAILWAY LABOR EXECUTIVES' ASSOCIATION,
INTERSTATE COMMERCE COMMISSION,
Respondents.

**On Petitions For Writs Of Certiorari To The
United States Court of Appeals
For The Third Circuit**

APPENDIX TO PETITIONER'S SUPPLEMENTAL BRIEF

G. Edward Yurcon
THE PITTSBURGH & LAKE ERIE
RAILROAD COMPANY
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(202) 887-4000

December 6, 1988

November 18, 1988

VIA TELECOPY

Brian Freeman
Brian M. Freeman & Co.
65 Livingston Avenue
Rosalind, New Jersey 07068

Dear Brian:

Pursuant to our telephone conversation today, enclosed is the draft Term Sheet.

Please call me if you have any questions on the enclosed. I can be reached over the weekend at home at (312) 664-8289 and in the office on Monday morning.

Very truly yours,

/s/ Susan G. Lichtenfeld

SGL:shp

enclosure

cc: Gordon E. Neuenschwander
G. Edward Yurcon
Donald F. Heckathorne
Robert W. Kleinman

SGL-3-cl DRAFT: FOR DISCUSSION PURPOSES ONLY

TERM SHEET

- Payment to each of PLE's presently working or furloughed employees who will not be employed by the P&LE under new labor agreements:

80% of such employee's annualized total compensation, but not more than \$25,000 per employee.

- Annualized total compensation per employee will be determined by calculating the average monthly total compensation for such employee for the period August 1, 1987 through October 31, 1988 and by multiplying such average monthly compensation by 12.
- Full payment of unused 1989 vacation due such employee to the extent earned in 1988.
- Sign-On Payment of \$3,000 to each of PLE's presently working employees who accept employment with the PLE under new labor agreements.
- The operations of the PLE will be performed by between 220-230 union employees.
- Conditions to Closing:

- (1) Written consent of the P&LE's Creditors.
- (2) Ratification and approval by the General Chairman of the P&LE's unions.
- (3) Negotiation and execution of operating agreements between the P&LE and its unions, on terms satisfactory to the P&LE and containing terms and provisions generally comparable to the agreements proposed to be used by the joint venture between RLEA and CSXT. Such agreements would contain the following additional provisions:
 - provisions relating to P&LE's responsibility to any employee losing employment with the P&LE due to any line sale, in whole or in part, by the P&LE within the 24 month period following the Cut-Off Date (as hereinafter defined) and who is not offered comparable employment by the acquiring entity, including provision for payment of a separation allowance to be paid by P&LE to a terminated employee at the Cut-Off Date.
 - moratorium on the filing of Section 6 notices for a period of 24 months following the Cut-Off Date.
 - no strike clause.
 - wages at 85% of present levels, with appropriate adjustment where applicable to recognize the elimination of arbitraries and similar items.

(4) Waiver by each employee accepting the severance or sign-on payment of any and all claims it has or could have against the P&LE under existing labor agreements, which will be deemed to have been terminated effective upon his ratification of new labor agreements.

- The Cut-Off Date will be deemed to be the date the PLE determined that a sufficient number of unions and union members have ratified new agreements to enable the PLE to accomplish efficient operations. Severance and sign on payments will be made on the Cut-Off Date, which in no event shall occur later than January 31, 1989.
- To the extent this agreement is not accepted by any of the General Chairmen or any union members by the Cut-Off Date, PLE may subsequently agree to make severance payments to such employees, but any such payments would be subject to offset equal to the amount of the total compensation paid by the P&LE to such persons after the Cut-Off Date.
- Initial written acceptance by the General Chairman of the terms stated herein, received by the P&LE no later than December 5, 1988.